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## NOTES AND MEMORANDA.

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At the close of the last session of Congress the Finance Committee of the Senate was instructed to institute an inquiry as to the effects of protective duties on prices. This inquiry has been fortunately put in the hands of Commissioner Carroll D. Wright, from whom results of interest and importance may be looked for. It will include an investigation of (1) the retail prices of 231 important articles between June 1, 1889, and September 1, 1891; (2) wholesale prices in important markets of the same articles for the same period; (3) wholesale prices "for as many articles as possible" from 1846 to the present; (4) changes in wages from 1846 to the present; (5) prices of leading imported articles for a long series of years. An endeavor will also be made to ascertain the quantity of each leading article that enters into consumption.

It is hardly probable that the inquiry will shed as much light on the particular subject which led to it — the effects of tariff legislation — as is commonly expected. But the new mass of material may be expected to be of the greatest service for the understanding of the economic history of the country, and for the settlement of some theoretical questions on money and the level of prices. No trustworthy tables of prices in the United States now exist, those of the Finance Reports of 1863 and 1873, and of the Treasury Bureau of Statistics in recent years, being palpably defective. Full and trustworthy figures will have a value for the economic student not to be overestimated.

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STUDENTS of economic literature are under great obligations to Mr. Henry Higgs for the valuable article on Richard Cantillon, contributed by him to the *Economic Journal* for July. The remarkable paper in which Jevons called attention to the

neglected *Essai sur la Nature du Commerce*, in the *Contemporary* for January, 1881, had shown that Cantillon must have an important place in the history of the science, and that there was some close connection between him and the Physiocrats, notwithstanding the considerable interval between Cantillon's death and the rise of that school; but the precise character of this connection remained obscure. And as to the identity and personal history of Cantillon, Jevons, after all his industrious gleaning of the field, pointed out that the question as to the authorship of the *Essai* was not quite free from doubt.

To the case as it was left by Jevons, Mr. Higgs has now added a large body of information. The Mirabeau papers in the French National Archives have disclosed the use of Cantillon's *Essai* by the author of *L'Ami des Hommes*, and have made the connection with the Physiocrats clear, although Cantillon's influence upon Adam Smith, which Mr. Higgs suggests was probably in great part indirect, "through the Physiocrats," may still be doubted, the last word not having yet been spoken as to Smith's relation to the French school. But, with respect to Cantillon's origin, career, and character, and his connection with the social and financial movements of the wild time in which he lived, Mr. Higgs has brought together an unexpected collection of facts and documents, from which we get a vivid picture of the man and his dealings, giving fresh interest to the work by which he is best known.

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CANTILLON'S *Essai sur la Nature du Commerce* in its original edition of 1755 is now scarce; and even the republication by De Mauvillon, in connection with Hume's *Discours Politiques* (Amsterdam, 1755, 5 vols.), is not always within easy reach of readers in this country. We are glad to announce, therefore, that a reprint of Cantillon's *Essai*, undertaken for Harvard University, and intended to be the first of a series of reprints from the less accessible portions of economic literature, is now in the press. The new edition will not be a *fac-simile* of the old; but it will present the text line for line, upon a page of similar size and proportions, and in type which preserves the

chief characteristics of the eighteenth century duodecimo. It is believed that such a reproduction will be welcomed by a large body of collectors and students.

THE German Empire has at last grappled with the difficulties which have arisen from the sugar tax and bounty, and has put the bounty system in the way of ultimate extinction. It will be remembered that the peculiarities of the situation arose because the excise on beet sugar was in the form of a tax on the raw beets; while the drawback on the export of sugar made from the beets was excessive, being virtually a bounty on exportation. The drawback, as fixed in 1869, was calculated on the assumption that it required twelve pounds of beets (exactly 11.75 pounds) to make one pound of sugar: whereas, in fact, the quantity of beets so required fell, in course of time, to ten, nine, eight pounds, and in recent years even to less than eight. The result has been that for the last ten years Germany has exported considerably more than half of her total product of beet sugar, and that the Treasury has lost, through the payment of drawbacks, a serious part of the sugar-tax receipts. Attempts were made to check this movement by reducing the drawback in 1883, and by increasing the beet tax, and still further reducing the drawback in 1886. By an act of 1887 a more radical step was taken. The excise was divided, being made partly a tax on beets at about half the former rate and partly a tax directly on the sugar-producer; while the drawback on exportation was reduced in proportion to the lower excise on beets. But two years' experience under this new measure, which went into effect in 1888, showed the need of still further change. Exportation continued in undiminished amount and proportion, the figures being in millions of metric hundred weight.

	<i>Total Product.</i>	<i>Of which exported.</i>
Year ending August 1, 1889	9.9	6.1
“ “ “ “ 1890	12.6	7.4

The drawback payments, consequently, continued to be enor-

mous. The gross yield of the beet tax and the payments on drawback account were, in million marks:—

	<i>Beet Tax Receipts.</i>	<i>Drawback Payments.</i>
Year ending August 1, 1889	63.2	54.1
“ “ “ “ 1890	78.6	65.9

If allowance is made for expenses of collection and disbursement, virtually the whole of the beet tax is seen to be swallowed by the drawback, leaving as net revenue only the yield of the other half of the excise, the tax on sugar.

Accordingly, the act of May 31 of the present year goes to the root of the difficulty by abolishing entirely the tax on beets. Hereafter, beginning August 1, 1892, the manufactured sugar alone is to be taxed. The rate is 18 marks per metric hundred weight, which means a reduction for German sugar-consumers, since the combined beet and sugar tax of 1887 was equivalent to about 22 marks. Sugar for export can be refined in bond, paying no tax and receiving no drawback. But, in order to tide over the period of transition for the sugar-makers, who have been relying so largely on foreign markets, a direct bounty on the export of sugar is to be granted for five years. That bounty, on the grade of refined sugar chiefly exported, will be:—

From August 1, 1892, to July 31, 1895,	1.25 marks per cwt.
“ “ “ “ 1895, “ “ “ “ 1897,	1.00 “ “ “ “

On other grades the new direct bounty is similarly adjusted. Under existing legislation, the indirect bounty on the ordinary grades of sugar is supposed to be about 2.2 marks, so that the immediate reduction in the bounty is large. It remains to be seen whether other countries will follow the courageous example which Germany, single-handed, has set them. Both France and Belgium took measures in the course of 1890 for reducing their export bounties on sugar; and the financial embarrassments of the bounty system have been seriously felt on all hands. It is not impossible that, as the example of Germany was powerful in leading to the wide adoption of the bounty system, so it may be effective in leading to its abrogation.